

**GOVERNMENT OF TELANGANA
IRRIGATION & CAD DEPARTMENT**

From
C. Muralidhar, B.Tech.
Engineer-in-Chief (General),
Irrigation & CAD Department

To
All the ENC's and CE's of I&CAD Dept.

Letter No ENC(G)/SE(P&M)/EE/DEE.2/AEE.5/Covid@bills/2020-21 Dt:18.02.2021

Sir,

Sub:- I & CAD- COVID -19 pandemic- Certain reliefs considered in works contracts in line with the reliefs considered by Govt of India-further instructions-issued - Regarding.

Ref:

1. T.O Lr.No. ENC (G)/P&M/EE/DEE.2/AEE.5/Covid-19/2021, Dt: 06.01.2021 in reply to the Govt memo No. No.3648/Reform/2020 dt:04.01.2023 communicating the Govt Memo.No.896215-A/185/A1/Tfr/2020 of Finance department Dt: 29.12.2020
2. Govt memo No.3648/Reform/2020, Dt: 05.02.2021 communicating the Govt Memo No 896215-A/185/A1/TFR/2020-1 of Finance department, Dt: 07.01.2021.

Anent to the reference 1st cited, it is to inform that, certain reliefs were considered in respect of the works contracts in line with that considered by Government of India.

It is to inform that, As per Para 6 of reference of the Finance Department memo 1st cited, states as, "in respect of all ongoing works, the FSD amounts shall be withheld from work bills @ 0.5% on the value of work done and the FSD excess of 0.5% will be released whether in the shape of cash or retention money BGs"

The Department of Works & accounts, DoWA vide Lr.No TS/A1/2020-21. Dt: 05.01.2021 has brought to notice that, due to extending above relief in Running account bills where ever availability towards GST is allowed at interim 5% without actually deducting embedded taxes and where price de-escalations/negative price variations are not considered upto pre final bills, there will be a possibility of insufficiency of final bill amount for keeping 0.5% FSD in Deposits (which has to be till end of DLP) and also cover the negative price variations if any at the time of final bills and may result in minus bills.

The instructions issued vide **Govt Memo No 896215-A/185/A1/TFR/2020 of Finance department, Dt: 29.12.2020** do not absolve of the responsibilities of the concerned officers/DDOs to take into account of all negative variations in the work bills while considering these reliefs. Where such situations demand necessary sanction/approvals from competent authorities, the reliefs in the RA bills may be considered. Wherever the value of work does is not more than 90% agreement value and the relief shall not be extended for further bills unless working out and deducting the negative variations including embedded taxes and the negative price variation amounts etc in the bills.

Hence, all Engineer-in-Chief's/Chief Engineer's of I & CAD department are requested to issue necessary instructions to all concerned officers/DDOs to strictly follow these instructions while processing the RA bills for relating 0.5% FSD and also monitor the status of bills of works invariably to avoid any negative liability for the works.

Encl: Reference 2nd cited.

Yours faithfully,
Sd:/ C.Muralidhar, 18.02.2021
Engineer-in-Chief (General)
Irrigation &CAD Department

Copy to Dy.EE Computers with a request to place in I&CAD Website

Copy to DoWA, TS for information


For Engineer-in-Chief (General)
Irrigation &CAD Department



